

Message Text

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51 S

ACTION NEA-12

INFO OCT-01 AF-10 ARA-16 EUR-25 ISO-00 SS-15 NSC-10 SPC-03

EB-11 L-03 INR-10 CIAE-00 TRSE-00 CIEP-02 SCEM-02

RSC-01 DRC-01 /122 W

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R 130845Z SEP 73

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 3812

INFO AMEMBASSY ABU DHABI

AMEMBASSY DHAHRAN

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY TRIPOLI

AMEMBASSY LONDON

RUFNPDQAMEMBASSY PARIS 1945OH

AMEMBASSY LAGOS

AMEMBASSY CARACAS

C O N F I D E N T I A L TEHRAN 6499

E.O. 11652: GDS

TAGS: ENRG IR

SUBJECT REPRESENTATIONS RE GOI DEMAND THAT JOINT VENTURES
PAY ROYALTIES

REF: TEHRAN 6278

1. AS REPORTED

REFTEL PARA 4, GOI AUGUST 30 DEMANDED

FOREIGN PARTNERS IN JOINT VENTURE OIL COMPANIES PAY

1*1/2 PERCENT ROYALTIES ON THEIR 50 PERCENT OF OIL.

OVER LAST WEEKEND MINFIN AMOUZEGAR CALLED IN REPRE-

SENTATIVES OF COMPANIES AND ASKED THEM TO WRITE

LETTERS ACQUIESCING IN ROYALTY PAYMENTS BY OCTOBER 1

OR FACE SHUT-IN OF PRODUCTION. AMOUZEGAR FURTHER

SAID HIS ORDERS WERE DIRECT FROM HIM, WHO HAD WACTED

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THIS DEMAND MADE BEFORE JANUARY 1, 1973, TO BE

EFFECTIVE ON THAT DATE, BUT HAD HELD OFF FOR A TIME
AT AMOUZEGAR'S REQUEST.

2. AMERICAN COMPANIES INVOLVED ARE AMOCO (PARTNER
IN IPAC), PHILLIPS (PARTNER WITH AGIP AND OIL AND GAS
COMMISSION OF INDIA IN IMINOCO), AND ARCO, SUN,
UNION AND MURPHY (PARTNERS IN LHCO). AGREEMENTS OF
LAPCO AND IMINOCO QUITE SPECIFICALLY STATE THAT THEY
WILL NEVER HAVE TO PAY ROYALTIES, WHILE THAT OF
PHILLIPS IS LESS SPECIFIC. NEVERTHELESS, THE COMPANIES
APPEAR RESIGNED TO NEED TO ACQUIESCE, BUT HOPE TO CHANGE
SITUATION FROM ONE OF UNILATERAL IMPOSITION TO ONE OF
MUTUALLYACCEPTED CHANGE IN AGREEMENTS BY TRYING TO
OBTAIN SOFA TIT-FOR-TAT ON TAX MATTERS NOW OUTSTANDING

BETWEEN THEMSELVES AND GOI.
HELMS

NOTE BY OC/T: DISSEMINATION COORDINATED WITH S/S-O - MR. NEWLIN.

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Message Attributes

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30 JUN 2005

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Type: TE
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